

MARICOPA COUNTY 457 DEFERRED COMPENSATION PLAN

ADDED BENEFIT FEATURES AND PARTICIPANT ACCOUNT INFORMATION

Last March, Deferred Compensation Plan participants experienced enhancements regarding the number of investment funds available as well as a reduction of plan's administration charges. On April 1, 2000, the Maricopa County Deferred Compensation Plan will undergo several additional improvements regarding plan benefits and options as well as improved access to and additional information about participants' accounts.

Below is a schedule of times when employees will have the opportunity to talk about these changes with Benefits staff and representatives of Nationwide Retirement Solutions (NRS) at locations around the County. Following this schedule is a letter that was also recently mailed to participants that explains each plan change and improvement. Please take a minute to read the attached letter to fully appreciate the expanded and improved features participants will enjoy in the near future.

<u>Information Table Locations</u>	<u>11 a.m. - 1 p.m. Each Date Noted</u>
Administration Building 301 W Jefferson Cafeteria	3-28th (Tues)
Maricopa Medical Center 2601 E. Roosevelt Cafeteria	3-28th (Tues)
Flood Control 2801 W. Durango New River Room	3-29th (Wed)
Library 17811 N. 32nd St Large Conference Room	3-29th (Wed)
Managed Care 2444 E. University Finance Department, Large Conference Room	3-30 (Thurs)
Southeast Juvenile Court Center 1810 S. Lewis, Mesa 2nd Floor - Saguaro Room	3-30 (Thurs)

IMPORTANT INFORMATION

Dear Maricopa County Deferred Compensation Plan Participant:

Recently, the Maricopa County Deferred Compensation Committee conducted an intensive review of its current program as well as evaluating various options provided by other companies. The Committee is pleased to announce that Nationwide Retirement Solutions (NRS), formerly PEBSCO, has been retained to continue the relationship as our deferred compensation provider.

The Maricopa Deferred Compensation Committee was able to negotiate various improvements to our plan, most of which will become effective on April 1, 2000. Our renewed partnership with Nationwide Retirement Solutions will incorporate the following changes.

New Administrative Fee Structure: Effective April 1st, the fee structure will be the asset fee structure that exists today but with a cap of \$45 per plan year. This means that you will *not* pay more than \$45 per year while still being able to invest in the same funds that are offered today. And, some funds still have no administration fee at all.

Variable Annuity to Mutual Funds: The investment options available to you today will continue, and as the committee reviews the plan, we may add additional investment options for your selection. The key difference is all the investment offerings, except the LifeDesign funds and the NSAT Small Company Fund, will be straight mutual funds and not "wrapped" within a variable annuity product. This enables you to track your investments more efficiently on the basis of market 'share' values and not 'unit' values previously used.

Transition Period: As with all changes, there is a time period needed to change from the old method to the new method. There will be a transition period, beginning on Thursday, March 30, 2000 at 4:00 p.m. Eastern Time and concluding on Monday, April 3, 2000 at 8:00 a.m. Eastern Time. During this period, there will be some limited transaction capabilities. Specifically, you will not be able to exchange from fund to fund, or access detailed plan information. All account balances will reflect fund performance when the transition process is complete. All monies will remain invested in your current investment options.

New Toll-free Number: Effective April 1st, your new toll-free number, specifically for the County of Maricopa participants, will be **1-800-598-4457**. The TTY number for the hearing impaired will be **1-800-995-4457**. New extended customer service hours will be from **8 a.m. to 8 p.m.** Eastern Time. The PIN number that you have already established will need to be reestablished using this new toll-free line. Please refer to the two brochures sent to your home which will help you navigate through the new automated phone system.

New Internet Site Address: www.nationaldeferred.com. You will have enhanced and new capabilities via this Internet site. Please note that you will have to establish a new on-line profile when accessing the new site, and will be instructed how to establish a new password. This site will have substantial financial and retirement planning information for your reading.

New Statement Format: Beginning with your 2nd quarter statement, you will receive your account balance information in a new format. This new statement format will provide the following enhancements:

- Disclose plan administration fees being deducted from your account.
- Report the number of mutual fund shares in your account.
- Provide a graph depicting your asset allocation among five major asset classes.

Brokerage Account: By May 1, 2000, we expect a new self-directed brokerage account will be available for qualified participants in cooperation with Charles Schwab & Company, Inc. Details of this brokerage account will be announced as they develop.

Should you have any questions regarding these enhancements, please contact your local NRS representative at 602-266-2733.

Sincerely,

Maricopa County Deferred Compensation Committee and Employee Benefits Division